

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

Paper No. 30

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte RAVI GANESAN, KARUNA GANESAN
and PETER KIGHT

Appeal No. 2003-1714
Application No. 09/208,998

HEARD: February 5, 2004

MAILED

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U.S. PATENT AND TRADEMARK OFFICE
BOARD OF PATENT APPEALS
AND INTERFERENCES

Before JERRY SMITH, GROSS, and LEVY, Administrative Patent Judges.

JERRY SMITH, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal under 35 U.S.C. § 134 from the examiner's rejection of claims 1-31 and 34, which constitute all the claims in the application.

The disclosed invention pertains to a method and apparatus for conducting cashless transactions between a buyer, a seller and a financial institution.

Representative claim 1 is reproduced as follows:

1. A method for conducting cashless transactions, comprising the steps of:

receiving, at a first network device associated with a seller, information identifying a product intended to be

purchased at a purchase price by a purchaser, the purchase price to be paid by a transfer to the seller of funds on deposit in or credited to an account of the purchaser, the identity of the purchaser account being unknown to the seller;

transmitting over a network, to a second network device associated with a financial institute at which the purchaser account is maintained, an authorization of the purchaser to pay the purchase price for the identified product through the transfer to the seller of the funds from the purchaser account;

determining if the funds in the purchaser account are sufficient with respect to the purchase price; and

transmitting over the network, from the second network device to the first network device, an authorization of the financial institute for the seller to proceed with delivery of the identified product, the authorization being transmitted only if the funds are determined to be sufficient.

The examiner relies on the following references:

Rosen	5,557,518	Sep. 17, 1996
Nguyen et al. (Nguyen)	5,931,917	Aug. 03, 1999

(filed Sep. 26, 1996)

Claims 1-31 and 34 stand rejected under 35 U.S.C. § 103(a). As evidence of obviousness the examiner offers Nguyen in view of Rosen.

Rather than repeat the arguments of appellants or the examiner, we make reference to the briefs and the answer for the respective details thereof.

OPINION

We have carefully considered the subject matter on appeal, the rejection advanced by the examiner and the evidence of obviousness relied upon by the examiner as support for the

rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, the appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejection and arguments in rebuttal set forth in the examiner's answer.

It is our view, after consideration of the record before us, that the evidence relied upon and the level of skill in the particular art would not have suggested to one of ordinary skill in the art the obviousness of the invention as set forth in the claims on appeal. Accordingly, we reverse.

In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044,

1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. See Id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976). Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered and are deemed to be waived [see 37 CFR § 1.192(a)].

With respect to independent claim 1, the examiner essentially finds that Nguyen teaches the claimed invention except that Nguyen does not explicitly teach "the identity of the

purchaser account being unknown to the seller." The examiner cites Rosen as teaching anonymous financial transactions. The examiner finds that it would have been obvious to the artisan to modify Nguyen to include the anonymous transactions of Rosen [answer, pages 5-6].

Appellants argue that they have been denied due process in the examination because the examiner failed to respond to their arguments as set forth in a request for reconsideration. Appellants also argue that the examiner has failed to establish a prima facie case of obviousness because the examiner failed to provide objective support or a reasonable rationale for the rejections, ignored limitations in the claims, and applied the prior art in a manner inconsistent with its teachings. On this point, appellants argue that Nguyen requires that the merchant or seller know the identity of the purchaser account so that it teaches away from anonymous transactions as taught by Rosen. Appellants also note that the modification of Nguyen proposed by the examiner would result in an unworkable system according to Nguyen's own teachings. Appellants argue that the examiner's findings are nothing more than mere speculation on the part of the examiner or represent a hindsight reconstruction of the invention. Finally, appellants argue that there is no motivation to combine the teachings of the applied references, and the

combined teachings of the applied references still would not teach the claimed invention [brief, pages 16-48].

The examiner responds that the lack of due process argument relates to a formal matter which is not properly before the Board for consideration. The examiner also simply responds, without further comment, that he did establish a prima facie case of obviousness. The examiner disputes appellants' argument that the proposed modification would render Nguyen inoperable for its intended purpose. The examiner's response to appellants' arguments in general consists of merely disagreeing with the arguments without any specific analysis of the arguments raised by appellants [answer, pages 47-53].

Appellants respond to the examiner's answer by reiterating many of the arguments made in the main brief [reply brief].

We first note that the issue of due process is not properly raised in this case. The appropriate course for appellants to follow, if they were of the view that they had been denied due process, would have been to petition the Director under 37 CFR § 1.181 requesting intervention to compel the examiner to take corrective action. Having failed to seek relief from the Director, appellants cannot seek such relief from us.

Nevertheless, we will not sustain the examiner's rejection of independent claim 1 for essentially the reasons argued by appellants in the briefs. We primarily agree with appellants that there is no basis on this record to support the examiner's proposed modification of Nguyen. The examiner has combined the generic anonymous transaction of Rosen with the completely different system of Nguyen. Nguyen specifically requires that the merchant make transactions with a payment gateway to charge a buyer's credit card. The examiner has failed to explain how the system of Nguyen can possibly operate without the buyer's credit card information or why the artisan would have made such a fundamental change to Nguyen that essentially cancels the manner in which Nguyen operates for a completely different mode of operation. The motivation suggested by the examiner is not persuasive because Nguyen already has the advantages supposedly gained by the examiner's modification. The examiner has also failed to respond to the specific arguments made by appellants in the briefs, and instead, the examiner simply asserts his conclusions without pointing to any specific support in the record. In our view, appellants' meritorious arguments have essentially gone unrebutted by the examiner.

Each of independent claims 9, 18 and 21 has recitations similar to independent claim 1. Therefore, we also do not

sustain the examiner's rejection of independent claims 9, 18 and 21. Since the prior art relied on by the examiner fails to teach or suggest the invention of independent claims 1, 9, 18 and 21, the applied prior art also fails to support the rejection of any of the claims which depend therefrom. Therefore, we do not sustain the rejection of any of claims 1-23.

With respect to independent claim 24, the examiner's rejection is not understood. The rejection essentially states that Nguyen teaches the invention of claim 24 and then states that Nguyen does not teach the invention of claim 24 [answer, pages 31-32]. The rejection concludes by stating that it would have been obvious to the artisan to select the device of Nguyen because it would have provided means for transmission of data ... between a plurality of computer systems over a public communication system, such as the Internet [id., pages 32-34]. There is no discussion of Rosen or of what the differences are between the claimed invention and the teachings of Nguyen.

In addition to the arguments discussed above, appellants argue that Nguyen does not teach or suggest the required payment options and election thereof [brief, page 44].

We will not sustain the examiner's rejection of independent claim 24 or of claims 25-30 which depend therefrom for the reasons argued by appellants in the brief. Additionally,

as noted above, the rejection of claim 24 does not make any sense and fails to establish a prima facie case of obviousness.

Independent claim 31 contains recitations similar to independent claim 24. Therefore, we do not sustain the examiner's rejection of claim 31 or of dependent claim 34 for the same reasons discussed above with respect to claim 24.

In summary, we have not sustained the examiner's rejection with respect to any of the claims on appeal. Therefore, the decision of the examiner rejecting claims 1-31 and 34 is reversed.

REVERSED

<i>Jerry Smith</i>)
Jerry Smith)
Administrative Patent Judge)
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<i>Anita Pellman Gross</i>)
Anita Pellman Gross)
Administrative Patent Judge)
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<i>Stuart S. Levy</i>)
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